
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes November 20, 2008

Call to Order: The meeting of the School Property Tax Control Board was held on Thursday, November 20, 2008 at 10:00 am. The meeting was held in the Indiana Government Center South, Conference Center Room A, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Richard Besinger, David Bowen, Dan Jones, Paul Joyce, Morris Mills, Denise Seger, Roger Umbaugh, and Tafrica L. Harewood (Interim Administrative Secretary).

Minutes and Discussion: Mr. Mills called the meeting to order at 9:58 am. There were no minutes available for discussion.

Transportation Appeal Discussion: Mr. Besinger stated that he contacted some distributors after the board's last meeting where the price of fuel was set at \$3.25 for consideration of transportation appeals submitted by various units as he felt the price was too high. The distributors were able to quote him the following prices of \$2.19 and \$2.4 per gallon. After hearing this he met with the Commissioner and now suggests that the board allow the Commissioner to research the price of fuel and after doing a thorough study come up with a price that can be set for all units submitting transportation appeals, so that the responses to the appeals will be fair and equitable.

Mr. Jones commented that he has done some research to track the prices of fuel and to determine a price that would be reasonable for the board to use when making recommendations to the Commissioner. However, it is most difficult to forecast the price of a commodity and Mr. Besinger's suggestion sounds like a way to be fair and consistent throughout the appeal process.

Mr. Besinger added that though we cannot require the units to contract for the fuel, he did find that the distributors he spoke with were able to set prices for a year or more. In addition, some larger distributors work with subcontractors which have worked with smaller school corporations and in doing so help to give the smaller school corporations more leverage in the negotiation of pricing for fuel.

Mr. Morris submitted that this would give more leeway for the school corporations.

Mr. Bowen asked if the transportation appeals would continue through next year, because if not, setting the price to low could leave the school corporations without any recourse next year if they find themselves needing additional funds.

Mr. Jones offered that he believes the transportation appeals process will be phased out.

Mrs. Seger commented that there is nothing in the law to suggest that it will be phased out. There would still be the transportation levy, and there is nothing about the funding mechanism in place for units to file for help with last year's transportation expenses. They cannot appeal after-the-fact. The appeal process is only for the future.

Mr. Besinger stated that the responsibility lies with the school corporation to lock in the prices based on the funds that they have available. If the cost goes up then they have the responsibility of finding the additional funds to cover the cost. If the price goes down then they will have additional funds available.

Motion made for the board to allow the Commissioner to research the price of fuel and after doing a thorough study come up with a price that can be set for all units submitting transportation appeals, so that the responses to the appeals will be fair and equitable. In addition, units would be eligible for all of the increases for which the law allows given the increase in services offered to students and other guidelines.

Motion is seconded by Mr. Umbaugh.
Motion is passed unanimously, 7-0.

Mr. Morris makes the transition into next item on the agenda which is Clay Community School Corporation.

Clay Community School Corporation, Clay County: \$3,000,000 General Obligation Bonds

Summary: The school is requesting approval to issue General Obligation Bonds in the amount of \$3,000,000 with maximum annual payments of \$3,000,000 for a term of two (2) years. The project is comprised of the remodeling of Clay City Elementary School, a K-5 facility, and the addition of 947square feet; the addition of safety and security systems to Northview High School, North Clay Middle School, and Clay City Junior/Senior High School.

The Unit intends to come to the DLGF next year for addition funding on an additional project and will amortize the debt at that time.

Project Costs:	\$3,000,000
Amount applied to debt:	\$0
Annual Payment:	Deferred
Tax Rate Impact: 2007 AV	\$902,486,570
Levy Needed	\$0*
Est. Tax Rate	.0000*

Meeting and Publication Dates:

Date of publication of the 1028 Hearing	02/06/2008
Date of 1028 Hearing	02/18/2008
Date of the Adoption of the Preliminary Determination Hearing	02/18/2008
Date of Publication of the Preliminary Determination	02/20/2008

Auditor's Certificate of No Remonstrance
Proof of Publication of Notice on Hearing of Lease
Excerpts & Minutes approving form of lease

remonstrance filed**
not applicable
not applicable

Common Construction Wage Hearing held: 11/10/2008 vote: 2-1

** The Unit explains the remonstrance ran from 07/09-09/08 but does not provide the vote. It is inferred that the Unit withdrew the project prior to the vote being certified, made modifications and has continued the process. A legal opinion on this will be sought.

Present for the hearing: Dan Schroeder, Superintendent; Mike Fowler, Business Manager, Thomas Reberger, Director of Building and Grounds; Jeff Qualkinbush, Bond Counsel; Tom Neff, Architect; Mary A. Ray, Principal; Frank Misner, Transportation Director; Leo Southworth, Taxpayer; Gail Williams, Principal; Sheryl Jordan, Principal SE; Forrest Buell, Public; Karen Phillips, Principal; Connie S. Cook, CCS Principal; Samuel Glover, Facilities Committee Chair – Meridian School; Jim Boots, Skillman; Mary Yelton; Clay Community Schools LEAAP Coordinator, Damian Maggos, City Securities.

Comments: Mr. Schroeder began by introducing Mr. Fowler, Mr. Reberger, Mr. Qualkinbush, Mr. Maggos and Mr. Neff specifically. He said that he wanted to provide a brief overview of how they got to this point. He reminded the Board that this was his third year as superintendent, but prior to his arrival there was already conversation about a building project. October through December of 2006 they had the schools put together groups of employees and community members to formulate a wants and needs list. At the same time the corporation hired an architect and financial advisor and formed a commission to conduct a feasibility study, which was conducted by Dr. Robert Lloyd at Indiana State University. A facility study was also conducted by Schmitt and Associates. They milled over how to proceed from about March until July they put together a community advisory group of about 28 people to look at Schmitt and Associates list as well Tom Reberger's and the schools' lists and initially came up with a project of \$63 million.

Mr. Schroeder state that they pared down that project to \$53 million and the reason we did that was because our community advisory team, which was open to the public, came up with the idea that we not increase the tax rate, but that we provide equity amongst our seven elementary schools and our high schools and the school corporation. We met for six meetings over a period of three to four months and put together a plan and we went to the community with the \$53 million project which involved our elementary schools and our high schools. We went to the public in September of 2007 and we had a meeting in the southern end of our county and the northern end of our county. Except for one township that belongs to Shakamak School Corporation, Clay takes one township from Parke County and they are a county-wide system.

Mr. Schroeder shared that there was some opposition during those meetings. The board met with some community members and Clay decided they would pare that back based on the community input, so instead of the \$53 million the Corporation would go with \$26 million, which is about half. According to Mr. Schroeder, the reason they did that was because by listening to the public and some community opposition, it was determined by those folks that the \$53 million project was a little more than our corporation could handle. In addition, the Corporation had initially put together a proposal that would not increase taxes but it would be incurred over twenty years and the community felt that they did not want a twenty year project they wanted something ten or less. Mr. Schroeder said that Clay School Corporation met back with the architects and the construction team. Then in February of this year, 2008, they had our 1028. There were enough signatures for a petition remonstrance process. That was held in August and the first part of September of this year and those in favor versus those opposed were about 5 to 1.

Mr. Schroeder pointed the SPTCB toward the financing plans. He stated that they have some debt service that will be falling off at the end of the year and that by issuing the general obligation bonds before the

end of the year, they feel they can maintain a level tax rate and this will allow them to have all of the improvements at the elementary schools as well as the safety and security projects including the high school paid off by the end of 2017.

Mr. Schoeder clarified that it is their desire to pursue the financing of the improvements needed in the middle and high schools. Mr. Neff then gave a general description of the improvements being made at the Clay City Elementary, as well as the safety and security projects being carried out within the school district.

Mr. Schoeder mentioned again about the people from the community who put together a wants and needs list. He pointed out that the information about the school Corporation's projects was published in two of the community's periodicals. In addition there was a website put together by supporters, making the point that there was ample opportunity for the public to review the project. Mr. Schroeder shared that in regard to the tax rate implications, the corporation would issue a general obligation bond in an amount not to exceed \$3 million. He stated that if they are issued before the end of the year, they would be repaid with the 2009 tax levies, minimizing interest reduction and faster repayment. He noted that the debt service on the bonds would require a tax rate of 31 cents, but with all other things considered the overall tax rate will go down.

Mr. Bowen asked for description of what the \$26 million project will do; more specifically he wanted to know what they would be back for next year. Mr. Schroeder stated that the main part of the project is renovation and repair, addition of new art and music classrooms, expansion of gymnasiums and cafeterias. He noted that it is all educationally focused.

Mr. Morris stated that with the new statute the Board would have nothing to say about that. Mr. Bowen responded that it is grandfathered in. Mr. Qualkinbush added that the Unit would be back before the Board in February of next year for financing on those projects.

Mr. Bowen asked if there was an addition at Clay City Elementary included in the next program. Mr. Schroeder said there was not. He stated that he was curious because the documents say that the current enrollment is 403 students while the capacity is 352. Mr. Neff shared that the numbers are correct. Capacity setting is based on 150 square feet per student and current capacity pushes that to 130 square feet, which is part of the reason why the restroom renovations are critical according to Mr. Neff. He also pointed out that three of the other elementary schools are at 100 square feet per student, which makes it difficult to feed them, to get to the restroom, media center, etc. He added that some of the schools have temporaries that have been there in excess of 25 years. There efforts are to help stabilize the educational environment as the population balances out.

Mr. Bowen in an effort to gain clarification, asked Mr. Neff if he was saying that the capacity at Clay City Elementary is more than 352. Mr. Neff said that is correct.

Mr. Joyce asked about why people are opposed to this project. Initially it was because of the cost according to Mr. Schroeder as it pertains to the \$53 million project. Mr. Joyce then asked more specifically what the remonstrance was against the \$26 million project. Mr. Schroeder stated that some felt like a school could be consolidated. He stated that others felt they were not looking at the educational needs of the students and there were various other reasons on which he did not elaborate.

Mr. Joyce asked if they were planning to maintain the portable units around the schools. Mr. Schroeder stated that they would get rid of them. He said the they have their own AV center and they will have to decide if they will maintain that along with their own special education department. They are now part of an education service center and that will probably be the only one they will have left. Mr. Joyce then

asked about the high enrollment numbers in comparison to capacity. He wanted to know if they foresaw expanding or declining enrollment. Mr. Schroeder stated their feasibility study showed that they would remain relatively flat, increasing slightly until 2014 and then declining in their secondary schools resulting in steady enrollment.

Mr. Besinger asked about their capital project fund if there was any money going out for severance pay packages, insurance, and utilities. Mr. Schroeder stated that they do; it is about \$888,000 or 9.9% of the tax rate. Mr. Besinger asked for clarification on whether or not that amount was their total budget or if that was the amount they took out for those items. Mr. Schroeder clarified that they take that amount out for insurance and utilities and the total budget is closer to \$3.9 million. Mr. Besinger responded that he looks at those figures and having done that over a period of four years, they could have paid for this project. He continued by saying that the trouble is that though by law they can take that money out, but when they do they come to get other money and end up costing taxpayers money. Mr. Besinger asked if the reason they do not have money for this capital project because they have been taking money out instead of putting it in. Mr. Schroeder replied that that was not the case, because before that \$888,000 was allowed it was used for operational expenses. Mr. Schroeder asked Mr. Reberger to speak about the ten-year plan that he put in place years ago.

Mr. Reberger reviewed for the SPTCB his role with the school Corporation and the plan put in place in 2001. Mr. Schroeder added to his review that with an AV of \$900 million, the school corporation does not generate a great deal of funds for capital projects, in fact they are on the lower end of school corporations. They only have one lease rental. This project would allow them to not put so much CPF money into their elementary schools anymore and end up saving money and a bit down the road they would have money to allocate for future projects. Mr. Besinger commented that if they had put the money from their capital projects where it should be, they would be ahead \$888,000 a year. Dr. Seger clarified that the money is only for utilities and could not be applied to construction.

Mr. Bowen asked for a Mr. Southworth to speak in regard to the letter that he sent. Mr. Southworth indicated that he believes it would best to consolidate some of the schools, particularly the two smallest and build a structure that they built in Avon. He also brought up safety issues for students with physical disabilities. He shared that space for students, the numbers of teachers, and security are concerns as well.

Mr. Bowen shared in response to Mr. Southworth's concerns that they are not pertinent to the day's conversation. Mr. Bowen clarified with Mr. Southworth that his perspective was that the issue is an administrative one, not a structural one.

Mr. Joyce asked Mr. Schroeder if he anticipated that the buildings would outlive the bond issue once the repairs are made. Mr. Schroeder answered that they hope the buildings will last another 40 or 50 years. He also stated that they discussed closing buildings down and redistricting, and the response from the community was that was not what they wanted. The Corporation had a lot of community support for the project.

Mr. Neal then shared from the audience that he was currently serving and had served as a Clay City School Board member since 1976. He was opposed to the project and had joined the remonstrators in order to have his voice heard on why the Clay County Schools should stay that same as they were when he was in school. Mr. Neal shared his position that this project was all about renovation and not improving education.

Mr. Morris asked Mr. Neal if he would you support the \$3 million project today to fix the clay city school. Mr. Neal stated that he is for the whole county. From there Mr. Umbaugh replied that he does not have a response. Mr. Schroeder stated that no other board members were at the SPTCB hearing here and

he had been charged to speak on their behalf. He shared that it was a 6-1 vote from the board in favor of the project. Mr. Morris then asked those to stand in favor of the project and all but two stood.

Mr. Umbaugh stated that with their 10-year capital project plan, they should continue to do that, look 10 years out and beyond.

Motion: Mr. Umbaugh made a motion to recommend approval of the bond issue in the amount of \$3 million. Mr. Joyce seconded the motion.

Motion passed by a vote of 7-0.

General Discussion: Mr. Morris called for a short break and announced that North Harrison was not coming.

The meeting called to order again at 11:22 AM.

North Harrison Community School Corporation

Harrison County,

Lease Rental Agreement

Summary: The school is requesting an approval to execute a lease in the amount of \$14,945,000 with maximum annual rental payments to be \$970,000 for a term of twenty one (21) years. The project consists of adding 38,782 square feet to the existing Morgan Elementary School; the demolition of 20,537 square feet of the old Morgan Elementary; and remodeling the remaining old Morgan Elementary.

Project costs:	\$14,945,000
Applied to Debt:	\$0
Annual Payment:	\$975,000

Tax Rate Impact: 2007 AV	\$499,559,075
Levy needed	\$868,500*
Est. Tax Rate increase	.1163

The Unit is aware we do not have these documents, as of today has still not delivered them as requested

Meeting and publication dates:

- Date of publication of the 1028 Hearing
- Date of Hearing of the 1028 Hearing
- Date of the Notice for the Preliminary Determination Hearing
- Preliminary Determination Hearing
- Date of Publication of the Preliminary Determination
- Auditor's Certificate of No Remonstrance
- Proof of Publication of Notice on Hearing of Lease
- Excerpts & Minutes approving form of lease

Common Construction Wage	Hearing held 11/12/08	Vote: To be at hearing
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*The Unit has stated it will seek a New Facility Appeal when complete for \$135,000 adding .0270 to the rate though no appeals will exist in IC. The unit is using a tailored financing rate, but keeping the payments.

** The Unit explains a remonstrance was held between 7/30/08 and 9/29/08 and no nay votes were delivered.

Unit did not appear. No further discussion.

Metropolitan School District of Perry Township

Marion County

Transportation Appeal & Shortfall

Summary: The unit is located in an urban area of Indianapolis. They are seeking two appeals, one for a short fall in the General Fund and Transportation and one in Transportation Operation. The school is aware due to delays in Marion County assessments, the necessary data to calculate a shortfall will not be available for some time.

Advertised: \$1,000,000 in General Fund and \$1,000,000 in Transportation

Present for hearing: Bob Harris, Business Manager; Mike Bagley, Director of Operations.

Comments: Mr. Harris introduced himself and Mr. Bagley as well as their appeal. Mr. Harris passed out information for the SPTCB to review. He noted that the amount they were asking for had been greatly amended and reduced to \$160,574 because the economic climate had changed dramatically since they submitted the request. Mr. Harris also stated that they ended up using \$3.20 per gallon, though they have averaged \$3.58, and they were open to using any amount that the Board feels is appropriate. He explained further that about \$95,000 is for fuel and \$66,000 is for two additional drives.

Mr. Harris continued by saying that they do not have the 2008 budget approved as of yet, as the DLGF has not yet received assessed values from Marion County. He stated that they will not receive their budgets until some time in the spring. In the interim, they have cut programs, including after-school activity and field trips. They have looked into route optimization, so they are driving 17,000 miles less this year than last. He stated that the school district had an increase of 87 students, but 400 or greater increase in bus ridership. Mr. Harris noted that the influx of Burmese students that churches have brought into the community has impacted this number significantly.

In addition, Mr. Harris shared that they have looked at contracting their fuel. He stated that they have talked with service centers and are looking at reverse bid option as well. He also shared that they were asking for bus drivers for the McKinney Vinto Act, but that has been removed from the appeal.

As far as the circuit breaker effect in 2009, the Perry Township transportation budget is supposed to be affected by \$300,000 or as much as \$750,000. They are currently transporting 5th grade and above in accordance with the desegregation.

Mr. Morris stated that the SPTCB adopted a motion that morning with regard to transportation appeals and asked Mr. Besinger to repeat it for him. Mr. Besinger did so and told Mr. Harris and Mr. Bagley that the Board will have everyone be treated the same.

Mr. Jones added that the Board was having the same problem the school district was in setting the price of fuel

Motion: Mr. Morris to have this submitted to the Commissioner and approved based on what you are approved for once the price is set. Mr. Besinger seconded the motion.

The motion passed by a vote of 7-0.

Comments on the motion: Mr. Besinger commended Mr. Harris and Mr. Bagley for cutting out those things the district could not afford.

Mr. Morris asked what they thought their average cost was per mile on the bus. Mr. Harris asked Mr. Bagley his thoughts. Mr. Bagley said based on the calculations with the YMCA the school district charges them 1.64/mile + the driver rate.

Mr. Bowen asked if these were their total miles. Mr. Bagley said no, it did not include special education and athletics. Mr. Bowen stated that it would be interesting to know what their cost is per mile. Mr. Bagley said they could find that out.

Community School Corporation of Southern Hancock County

Hancock County

Transportation Appeal and New Facility Appeals

Summary: The unit is requesting an increased levy of \$41,507 due to the costs associated with additions to the cafeteria and administrative offices. The unit believes it will be able to occupy both areas by 12/01/2008 In addition the unit seeks a Transportation Operating Appeal for the 30,000 plus mile it will now have to drive for 50 addition students at \$4.20 a gallon.

Advertised: \$220,393 Excessive Levy in Transportation and \$141,507 in the General Fund.

Present for the hearing: Jim Halik, Superintendent; Bob Yoder, Assistant Superintendent.

Comments: Mr. Halik introduced himself and Mr. Yoder. He began with the New Facility appeal by stating that they are preparing to take over occupancy of two buildings that they have had under construction. They are adding onto New Palestine Elementary and are set to put kids in that building on November 24. They are building an addition for the administration building and they are set to have that turned over to them on December 1.

He directed the Board to look at page 6 of the information provided and his request to add ½ of a custodian to clean an additional 16,000 square feet. Mr. Yoder also provided estimates of the benefits for this person as well as utilities for the building. They were asking for \$41,507.

Mr. Morris asked if that amount was for both buildings and if the amount was for the whole year. Mr. Yoder replied yes to both and added that the elementary school is about 11,400 sq ft and about 4,000 for the administrative building. Mr. Bowen then asked if they were asking for anything for the administrative building. Mr. Yoder replied that it is in there on page 5 for the administrative. Mr. Bowen stated that it was his memory that they are only approving academic buildings and not administrative. Mr. Morris stated his observations as this only being \$2.50 per square foot.

Motion: Mr. Umbaugh made a motion to recommend approval of the new facility appeal for Southern Hancock.

Dr. Seger seconded the motion.

Motion carried by a vote of 7-0.

Mr. Morris had them move on to the transportation appeal. Mr. Yoder said it was based on the additional cost of fuel and their need to add a route for special education students who are currently on the bus for two hours and fifteen minutes and this needs to be reduced.

The original resolution that the School Board signed was for \$220,000 when gas was \$4.20. Mr. Yoder stated that it seems that with the new calculations, Mr. Yoder stated that he believes they are eligible for \$106,000. Mr. Morris asked if the new special education information was on the data that would go to the Commissioner.

Motion: Mr. Besinger made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Mr. Umbaugh seconded the motion.

The motion passed by a vote of 7-0.

Metropolitan School District of Warren Township

Marion County

New Facility Appeal

Summary: The unit added \$43,000 sq. ft. to its Creston Middle school and began occupation in August 2008 the unit is seeking a levy of \$95,700 for increased operational costs.

Advertised: \$500,000 Excessive Levy in the General Fund

Present for hearing: David Holt, CFO; Tim Armstrong, Consultant

Comments: Mr. Holt introduced himself and Mr. Armstrong. In 2006 they began a project for Creston Middle School to add about 20 classrooms. The project was complete in 2007. Mr. Holt stated that they are requesting \$95,700, and the additional cost can be attributed to a new custodian as well as utility costs. He shared the actual costs that they have incurred after running the building for 4 years. The utilities were at \$55,000 versus \$62,000 that was estimated. The cost per square foot was \$2.19/sq ft.

Mr. Joyce asked if they have to hire a new custodian or if they could use the one's they already have. Mr. Holt shared that they are stretched pretty thin on custodians, using one custodian every 30,000 feet. They tried running the school the first few months without it and it did not work. Mr. Holt shared that at 44,000 square feet it is too much to properly maintain by spreading it out amongst their current staff, so they had to hire another custodian.

Mr. Morris asked for clarification on their actual utility costs. Mr. Armstrong stated that it was \$55,000 or about \$1.10/square foot.

Motion: Mr. Umbaugh made a motion to recommend approval of the appeal. Dr. Seger seconded the motion.

Motion passed by a vote of 5-2. Mr. Besinger and Mr. Joyce casted the dissenting votes.

Wa-Nee Community School Corporation

Elkhart County

Shortfall Appeal and Transportation Appeal

Summary: The unit is requesting a shortfall for the year 2008 for \$2,000,000; the unit has not provided any documentation or advertising to make this appeal. As it is for 2008, per the resolution the DLGF can not yet work on the calculations. In addition, from the resolution the unit wishes \$300,000 in a Transportation appeal. Again no documents have been included.

Advertised: \$2,011,679

Present for hearing: Joseph M. Sabo, Superintendent; Roger Zentz, Business Manager; Eric Brown, Board President; Amy Ailes, Director of Transportation; David Holt, CFO.

Comments: Mr. Morris decided to begin with the transportation appeal. Mr. Zentz began by introducing the representatives from the Wa-Nee School Corporation. He explained that they are transporting more students for vocational programs. In addition they have had to add two special education routes. Mr. Zentz stated the he amended his original request and sent that in on Monday so he was hoping it was received. He went on to mention increased fuel costs. They were asking for \$300,000 and have reduced their request to about \$198,000.

Mr. Bowen stated that the Board does not have that information. There was some discussion about the change.

Motion: Mr. Besinger made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Mr. Umbaugh seconded the motion.

Comments on the motion: Mr. Zentz stated that they did lock-in fuel prices at \$3.45. Dr. Seger recommended that he send in a copy of the contract. Mr. Zentz indicated that he had already sent it in.

Motion passed by a vote of 7-0.

They did not deal with the shortfall appeal.

Middlebury Community School Corporation

Elkhart County

Transportation and New Facility Appeals

Summary: The unit is appealing for a \$795,086 due to the anticipated increase in the costs for the New 374,026 square foot Northridge High School. \$364,980 is due the Unit from a NFA approved last year. The addition \$430,106 is for the Auditorium and Pool approved as a separate capital project, and will be occupied in January 2009. In addition the Unit is seeking \$104,726 in increased Transportation operating costs primarily because of the cost of shuttling students from one facility to another while a Capital Project is completed.

Advertised: \$450,000 in General Fund and \$104,726 in Transportation Fund

Present for hearing: Jim Conner, Superintendent; Shirley Meyer, Director of Business Services.

Comments: Mr. Conner introduced himself and Ms. Meyer. He shared the background on their transportation services. Fuel costs for this year were \$3.46/gallon, with an increase of \$52,224 over last year. There has been an increase in their mileage in part due to an additional building. Mr. Conner also

reviewed increased cost due to additional staff and bus driver hours. In addition he stated that the costs of repairs will go up with the new formula that has buses in use for 12 versus 10 years, and he also spoke of the issue of overcrowding.

Motion: Mr. Besinger made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Dr. Seger seconded the motion.

Motion passed by a vote of 7-0.

Mr. Conner asked if the SPTCB would want a copy of the numbers from 2007 and 2008. Mr. Morris instructed him to send it in with his other documents.

Mr. Morris had the Unit proceed to their New Facility appeal.

Comments: Mr. Conner stated that last year they came for a facility appeal which opened in August 2008. They were granted the appeal for the first five month and are back for the other 7 months on the classroom phase and the music rooms, auditorium and the pool for 2009. The classroom square footage was 283,472 and music/band/choir and pool was 90,544. Mr. Conner added that the cost per square foot was \$3.17 for a total request of \$795,086. Mr. Bowen asked if they would separate those two numbers. Ms. Meyer clarified that for the classrooms it was \$546,156 for 7 months and for the music/band/auditorium/pool area it was \$248,930 12 months. Mr. Bowen asked them to take \$364,980 and divide it by five and then multiply seven and he gets \$510,000. Ms. Meyer stated that the annualized costs for the twelve months and divided it by twelve and then multiplied by seven. Mr. Bowen then asked if the annualized cost was higher now than it was when they came in. Ms. Meyer stated that she increased it. Mr. Bowen stated that he does not think she can do that because it was in the 1028 and then they came before the SPTCB with a certain number. Mr. Bowen then recommends to Mr. Morris that \$36,000 be taken out of the appeal.

Mr. Umbaugh asked if phase 2 as it was advertised already included in here. Mr. Conner stated that it does.

Mr. Joyce asked if any of what they are asking for is to fund new employees. He asked a clarifying question that their intent is not to hire anymore. Mr. Conner said they will for the pool and auditorium. Mr. Morris then asked when they plan to occupy that. Mr. Conner stated that they will occupy after the first of the year.

Mr. Bowen stated that the new number would be \$759,902.

Motion: Mr. Bowen made a motion to recommend modified approval of the appeal in the amount of \$759,902. Mr. Umbaugh seconded the motion.

Motion passed by a vote of 4-3. Mr. Jones, Mr. Besinger and Mr. Joyce casted the dissenting votes.

General Discussion: Mr. Morris called for a lunch break. Meeting was called back to order at 1:01 PM.

Southern Madison Community School Corporation

Madison County

Shortfall, Transportation and New Facility Appeals

Summary: The unit is requesting a New Facility appeal of \$737,383 due to the increased operational costs of the 172,000 square foot Pendleton Heights Middle School that opened on 07/01/2008. In the appeal the unit was not required to advertise, and it did not. The appeal includes \$57,190 for a technology technician (the DLGF can not find any record of ever including such a position in a NFA); \$102,961 in capital equipment (the DLGF has in the past approved on 20% on a NFA for capital equipment that has a 5 year lifespan); and \$53,400 for utility “contingencies”.

The Transportation appeal is for \$153,163 because 39 addition students will increase the units bus mileage 50 miles per day; one additional special education driver and route that adds 131 additional daily miles; and \$51,726.00 for a fuel escalator clause in the contracted bus service that covers 12 routes. The Unit assumes \$4.75 a gallon and assumes the levy is approved in order to calculate if they are qualified.

A shortfall appeal for years 2004, 2005, and 2006 in both the General Fund and the Transportation that appears to have been lumped into the amount of \$279,630. The DLGF has not done the calculations at this time.

Advertised: \$224,867 in General Fund and \$207,922 in Transportation.

Present for hearing: Joe Buck, CFO.

Comments: Mr. Morris commented that the SPTCB would not deal with the shortfall appeal, because being a mathematical calculation it gets automatically passed on to the Commissioner. Mr. Buck acknowledged the comment and introduced himself, apologizing that Dr. Warmke was unable to be present.

Mr. Buck shared a description of the new middle school building set to open in 2009 that would add 172,000 square feet to their school corporation and serve as space for an intermediate school as well. He stated that their petition and resolution to appeal for the middle school was set in an amount up to \$737,383, which is about \$4.29 per square foot.

Mr. Morris asked if that \$738,000 as for a full year. He asked how they are to handle half a year and stated that he believes it is to be handled as two separate requests. Mr. Buck shared that they were told to submit it as one year, but if necessary would submit it as two. Mr. Bowen stated that it makes it easier to evaluate as a twelve month period. He then mentioned that he did not think that transportation, trucks and the like are allowed. He asked Mr. Buck if he spoke with someone about that. Mr. Buck stated that he has been in the position of CFO for two years and in years past there was a maintenance truck included in an appeal, so he went ahead and included it in his proposal.

Mr. Umbaugh stated that he would have to depreciate that. Mr. Bowen added that he would have to depreciate all of the equipment. Mr. Buck stated that without any of the equipment it would be \$635,000. Mr. Bowen told him not to be surprised if it comes back less than \$738,000.

Mr. Bowen continued that the total square footage is increased by 22%, but the utility costs are increased by 39%. Mr. Buck stated that the estimates for utilities are the ones provided by consultants and they went with the more conservative numbers. He also stated that the numbers are based on those from schools with similar geo-thermal heating and cooling. Mr. Bowen asked if this was new construction. Mr. Buck stated that there is an elementary school that is a geo-thermal building, but it is not in the proposal and Pendleton will open as a brand new school in August 2009, but it is not an addition. He continued by saying that the old middle school will be converted into an intermediate school, but the proposal before them is just for the new middle school.

Mr. Umbaugh suggested going ahead and using their estimates and when they return adjust according to their actual numbers. Mr. Morris agreed. Mr. Umbaugh stated that they should reduce equipment down to depreciable levels and then the Board would need to look at the issue of the technician. He asked for some guidance on this. Dr. Seger stated that she does not believe the Board has had any proposals with a technology technician. Mr. Bowen added that it was nursing staff that the Board turned down before.

Mr. Jones said that he had a few other questions about summary page 3 that shows almost 60% of the corporation's salaries going for health insurance. Mr. Buck stated that they have a very rich plan and the \$15,000 per person/family included the health costs for non-certified employees and would be even more than that for the certified employees. Mr. Jones asked what the odds are that every custodian is going to be in the family plan. Mr. Buck replied that most are on the family plan; the reason being if they are a female, the corporation's plan is usually better than their spouses' so they opt to be insured through the corporation. Mr. Jones asked if the employees have to contribute. Mr. Buck stated that they pay 9%, but the cost before the Board does not include the employee's 9%.

Mr. Morris stated that there is a general consensus that the technician is not allowed. They all agreed that it was a gray area. Mr. Morris then asked if the committee would be favorable to approving this, but have the Commissioner review with a prorated amount for equipment and review the eligibility of the technician.

Motion: Mr. Bowen made a motion to recommend approval, but have the Commissioner review with a prorated amount for equipment and review the eligibility of the technician. Umbaugh seconded the motion.

Motion passed by a vote of 4-3. Mr. Jones, Mr. Besinger and Mr. Joyce casted the dissenting votes. Mr. Morris had the Unit move on to the Transportation Appeal.

Comments: Mr. Buck stated that they are asking for an increase of \$153,168, based on increased cost due to fuel, increased ridership, miles traveled and an additional route.

Motion: Mr. Besinger made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Mr. Umbaugh seconded the motion.

Motion passed by a vote of 7-0.

Motion: Mr. Morris made a motion that this and other shortfall appeals would be forwarded to the commissioner for her decision. Mr. Umbaugh seconded.

Comments on the motion: On the shortfall Mr. Buck stated that he was told he would need to see the SPTCB.

Motion passed by a vote of 7-0

Tippecanoe School Corporation (TSC)

Tippecanoe County

Shortfall, Transportation, and New Facility Appeals

Summary: The unit has faxed in its request, and mailed the documents necessary for a new facility appeal, but nothing on the other appeals and nothing for the other appeals more.

Advertised: \$4,162,631 in the General Fund and \$1,462,401 for Transportation.

Present for the hearing: Kim Fox, CFO; Gary Jenkins, Director of Building and Grounds.

Comments: Ms. Fox stated that they are not going to pursue a transportation appeal and they would come before them to deal with the new facility appeal for two new buildings opened in Fall 2008, Woodland Elementary School and Battleground Middle School. Ms. Fox shared that the school district has grown by about 240 students each year over the last 11 years. In addition, taxpayers were notified during the preliminary determination and 1028 hearings that TSC would be pursuing a new facility appeal to cover costs of these two buildings.

Ms. Fox stated that utility estimates based on actual costs for elementary and middle schools like those being opened. She noted that on the new facility worksheet the square footage for Woodland really should be 86,500.

Mr. Bowen asked if the \$1,032,075 was advertised in the 1028 hearing. Ms. Fox stated that they advertised \$1,275,595. Mr. Bowen noted that they have added 12% in square footage to their Corporation, but 38% in the energy costs. Ms. Fox stated that the numbers are based on actual usage in similar buildings in addition to the expertise provided by a gentleman in their corporation who works specifically on issues of energy conservation and management in these facilities who said that the energy costs would increase 25%. She added that he has backed off of that amount recently, but that is not reflected in the numbers before the Board. Mr. Bowen asked if these buildings were additions. Ms. Fox stated that they were not.

Mr. Morris asked about the 50% difference in operating costs, with the middle school being about \$4.29/square foot. Ms. Fox said that they have it calculated at \$3.98 per square foot. Mr. Morris withdrew his question.

Motion:

Mr. Morris suggested the appeal be approved, calling attention to the energy costs but leave the subject to the Commissioner's interpretation. Mr. Umbaugh seconded.

Motion passed by a vote of 5-2. Mr. Besinger and Mr. Joyce casted the dissenting votes.

Comments: Mr. Morris stated that shortfalls would be handled directly by the Commissioner.

North Adams School Corporation

Adams County

Transportation Appeal

Summary: The unit is appealing for an \$82,759 increase in levy due to the anticipated increase in transportation costs.

Advertised: \$82,759 in Transportation Fund

Present for the hearing: Dale Bieberich, Transportation Director; Wylie Sirk, Superintendent.

Comments: Mr. Bieberich stated that their justification for the appeal is due to fuel increases. Mr. Morris asked stated that it would be hard to make a case for this at \$5.50 a gallon, especially given that he

just purchased diesel for \$2.25. Mr. Bowen asked why the numbers are different on the school calculation, with projected expenditures of \$1,048,807,000 versus \$1,093,075 and the figures are different for 2009 as well. Mr. Bowen suggested that they revise their figures before this is reviewed by the Commissioner. Mr. Bieberich stated that he could not answer at that point. Mr. Bowen said to find out which ones are right and clarify that.

Motion: Senator Mills made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Mr. Besinger seconded the motion.

Motion passed by a vote of 7-0.

Mr. Morris called for a break. Mr. Morris called meeting back to order 1:49 PM.

Metropolitan School District of Warren County

Warren County

New Facility Appeal

Summary: The unit requests a New Facility Appeal in the amount of \$300,000 due to the increased operating costs of their new 49,954 Patriot Activity Center that opened in 2006. (NOTE: In the Resolution does not explain why the delay for appeal).

Advertised: None provided.

Present for Hearing: Ralph Schrader, Superintendent; Jim Beyer, Assistant Superintendent; Roy Shroud, former Superintendent.

Mr. Schrader distributed plans for new facility as well as photos of its progress for board to review. He informed the board that the Corporation has been working at a deficit for four consecutive years and cash balance has fallen by over \$800,000. This appeal was presented to the public without objection.

Mr. Bowen asked if the money was included in the 1028 hearing when they did the building. Mr. Schrader said no, there was no levy appeal when they began the building. Mr. Umbaugh inquired as to whether or not the appeal was advertised at the 1028 hearing. Mr. Schrader stated that it was this year.

Mr. Bowen then asked when the building was constructed was there equipment as part of it. Mr. Schrader said no, that the capital funds have been tied up with insurance, utilities, and an HVAC lease that was put in place. At that time equipment was purchased through grants and then some through general funds.

Mr. Bowen stated that the purpose of the statute is for maintenance and not for lockers and bleachers, etc. Mr. Schrader stated that he reduced the equipment to 20% of the total in that request, which is built into the total amount being requested.

Mr. Morris asked what the size of the Corporation is. Mr. Schrader stated that it is about 1,300 students. Mr. Morris then asked about their assessed value. Mr. Shroud stated that it was about \$370,000,000

Mr. Besinger asked if they have other gyms. Mr. Schrader replied yes, they use it for extracurricular activities. Mr. Besinger then asked about its seating capacity. Mr. Schrader stated that seats about 500. He added that they currently use an elementary school gym for boys' basketball. Mr. Morris asked to

what is the attached. Mr. Schrader responded that it is connected to Seeger Memorial Junior/Senior High School, which is the only high school in Warren County

Mr. Bowen asked on their utilities services cost if that was for the facility or just the addition. Mr. Schrader stated that the \$149,000 was for the addition only. Mr. Bowen pointed out that this is about \$3.00 per square foot. Mr. Schrader stated that the field house type of structure, windows and other features along with high energy prices, may contribute to the high utility costs. Mr. Bowen commented that it does not sound very energy efficient. Mr. Besinger asked Mr. Schrader if they considered any of these things before building. Mr. Schrader responded that he does not think the superintendent at the time considered that. At the community meetings the community pushed hard for the facility to be built.

Mr. Besinger asked if they were aware of all of the extra costs. Mr. Schrader replied that he believes they were discussed and at the time the Corporation was quite solvent, but things have changed. Mr. Jones asked about the negative cash flow on annual basis. Mr. Schrader responded that it is about \$260,000 to \$270,000. He added that they have made general fund cuts of about \$300,000 in Staff over the course of the year, to try to stabilize finances. He stated that they have stable enrollment with a slight decrease of about 5 or 10 students a year.

Mr. Jones asked about economic situation in their area. Mr. Schrader described it as a lower economic level area, with mostly farmers and factory workers. In response to another question from Mr. Jones, Mr. Schrader stated that the school corporation is the largest employer.

Mr. Morris asked for any comments.

Motion: Mr. Umbaugh stated that long as it was properly advertised, I would make a motion to approve. Dr. Seger seconded

Comments on the motion: Mr. Morris stated that this project is coming in at \$6.00 a square foot, which is about 50% higher than anything else the Board had seen that day. He also commented that not a whole lot of this is going to be contributing to education, because 75% of the cost is going to be tied up in the gymnasium. Mr. Schrader responded by saying that there is a direct tie between the activities for which they use that facility and the education of their students.

Mr. Bowen asked if there is some reason you have not filled out column one. Mr. Schrader stated that they we waited, hoping that they would not have to ask for assistance; they wanted to show costs then and now.

Mr. Morris asked if this phases out after five years. Dr. Seger said that it depreciates.

Mr. Jones stated that the operating levies are going to be assumed by the state next year, this appeal may be somewhat irrelevant, since it is going to cure the cash flow problems of the Corporation. Mr. Schrader stated that he does not know how things will be handled, but he does know that funding will be based on student enrollment.

Mr. Umbaugh suggested that the Board approve it so that they can put it in their budget and if they can get it great and if they cannot get it then...

Mr. Besinger commented that schools build facilities and do not give thought to how they will cover the costs and just come ask the Board for more money. He added that the school corporation is not being very responsible to the tax payers and he is sure there are other facilities that they could build a lot cheaper.

Motion passed by a vote of 4-3. Dissenting votes cast by Mr. Joyce, Mr. Besinger, and Mr. Jones.

North Miami Community School Corporation

Miami County

Transportation Appeal

Summary: The unit Requests \$73,538 due to the expected increase in the cost of fuel. Please note: they are not increasing mileage or routes; operation cost calculations for 2009 seem inconsistent.

Advertised: None provided.

Present for hearing: Mr. Brent Kaufman, Superintendent; Chuck Pavey, High School Principal.

Mr. Kaufman was informed that the \$3.25 per gallon price discussed at the last hearing had changed as of that morning. He stated that the Corporation does not meet the 10% required by the State, however he did want to present some of the reasons why they are asking for this appeal. Mr. Kaufman stated that back in 2002, '03 and '04 their school corporation was not keeping up with what was going on. Since that time they have struggled to keep up and are \$105,000 in the red, so they decided to drop a route. However, they still have concerns about how we can get things done. Mr. Kaufman shared with the Board that they are about \$38,000 short and that amount would get them through the year.

Mr. Morris asked where they think they would be if they were able to get diesel for \$2.50 instead of \$3.25. He asked Mr. Kaufman if they have a tank or if they have to transport. Mr. Kaufman said that their tank holds about 10,000 gallons and they transport. He said they are looking to lock-in and at \$2.50 there would be about a \$36,000 savings. Mr. Morris stated that he would recommend that the Board turn the Corporation down and instruct them to go get a contract.

Mr. Morris stated that for farm fuel he was offered \$2.25 with 16 cents on top of that the Corporation could end up paying \$2.41.

Motion: Mr. Morris made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Mr. Bowen seconded the motion.

Motion passed by a vote of 7-0.

Metropolitan School District of Mt. Vernon

Posey County

Transportation, New Facility, and Shortfall Appeals

Summary: The unit has requested an increase in its Transportation levy of \$172,437 due to increased costs of fuel and Contracted routes. Please note: the budget operating Cost calculations for 2009 seem to be inconsistent.

The Unit requests an increase in levy, New Facility Appeal, in the amount of \$156,433, for their 19,076 square foot Farmersville Elementary School and additions to West Elementary School.

And they are seeking \$10,479 in shortfall for 2007. The DLGF has not yet reviewed their calculations. Plus, they seek \$1,460,000 for a 2008 shortfall that can not be entertained at this time.

Advertising: None provided.

Unit did not appear.

Comments: Mr. Morris stated that the Board could review the information. On the new facility appeal, Mr. Bowen noted that the cost was around \$4.86 per square foot for the two elementary schools. The Board discussed the expenses. Mr. Morris noted a cost of \$14 per cubic foot for gas.

Motion: Mr. Umbaugh made a motion to recommend approval subject to looking at tax.

Comments on the motion: Mr. Jones comments stated that he is looking at the page where they indicated there is no tax rate on the general fund for 2009, so is the Board increasing the amount of State revenue that would be distributed to them. Mr. Morris stated that at best they will be prorated. Mr. Bowen noted that the utilities are only 83 cents a square foot.

Mr. Morris noted that the costs come within the Board's general guidelines.

Mr. Bowen seconded the motion.

Mr. Besinger asked for clarification on the price of the \$11.22 per cubic foot of natural gas. Mr. Morris stated that they are actually at \$14.00 per million BTU's, and most come in at around \$10.00. Mr. Morris added that his recommendation is that the Board approve it and ask the Commissioner to review the price of the natural gas and utilities.

Motion passes by a vote of 6-1. Dissenting vote was cast by Mr. Besinger.

Frontier School Corporation

White County

Transportation Appeal

Summary: The unit has requested an increase in its Transportation levy of \$140,000 due solely on its estimate of increased fuel costs in 2009.

Advertised: None provided.

Present for hearing: Bernard Graser, Superintendent; Fred Minnick, Financial Consultant.

Mr. Morris asked to hear the transportation appeal first. Mr. Minnick offered a review of the financial situation and fuel prices. He shared that they have higher repair bills and are driving additional miles. Mr. Bowen asked where the \$221,025 came from in the school calculation on page 13 of 30. Mr. Minnick stated that that was their 2008 budget. Mr. Bowen noted that their certified for 2008 was \$351,000 and using the numbers provided there was only a 5.36% increase, in which case they would not qualify.

Mr. Morris asked about how they get where they are right now and how much money they get from the tax levy.

Mr. Minnick stated that he did not have the levy with him, but he was pretty certain the \$221,000 figure was incorrect. Mr. Morris suggested that it may be that figure, plus 4%, taking them to \$229,000. Mr. Minnick said they are expecting to spend about \$362,000 for the year. He continued by saying that the State approved \$221,000, and the Corporation used \$130,000 from their rainy day fund to cover their deficit. Now it looks like the \$362,000 will grow by \$10,000 more, and Miranda Bucy (DLGF Field Representative) stated that the \$221,025 was well below what they should have been able to do had they kept it up over the years. Mr. Minnick explains in his narrative why they did not keep it up, because he has been adamantly opposed to roller coaster tax rates. He continued by saying that because of the condition of the debt service when he started, there was a large tax rate increase in that area and over the years as he tried to keep the rates down in other areas, the Corporation lost some of the monies to which they were entitled.

Mr. Morris asked how many kids are in the school district. Mr. Graser replied that there are 826. Mr. Morris asked about the \$262,000,000 in assessed evaluation. Mr. Graser confirmed that was the case, which comes to about \$300,000 per child. Mr. Graser stated that they have had to add a special education route, adding 144 miles a day.

Mr. Morris pointed out that if they are not given the appeal, in the long run they would have to take this out of general funds. Mr. Minnick stated that they have been taking it out of rainy day, and they have about \$400,000 left there.

Mr. Morris shared that the Board has been recommending that these transportation appeals be sent on to the commissioner; however in the case of their Corporation where there is a structural deficit in the transportation operating fund, you may want to negotiate pretty seriously with the commissioner.

Mr. Jones told him to talk to Chuck McLean. Mr. Minnick said that he had spoken with him, which is how they got to the hearing. This appeal is for 2009; 2008 is taken care of with Rainy Day

Mr. Minnick commented that 2008 was the iceberg that sank the ship. Mr. Joyce replied that it sank a lot of ships. Mr. Morris reiterated that the Corporation needs to have some direct negotiations with the Commissioner. The formulas they can use will calculate everything according to the statute to determine what that number should be.

Motion: Mr. Morris made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Mr. Besinger seconded the motion.

Motion passed by a vote of 7-0.

Comments on the motion: Mr. Morris told Mr. Minnick to speak with Chuck McLean and see what the DLGF can do and be sure to raise the issue of structural shortfall.

Lake Central School Corporation

Lake County

Transportation and Shortfall Appeals

Summary: The unit requests a levy increase of \$309,345 in its Transportation Fund due solely on the estimated increase in fuel costs. Note: the operational cost increases for 2009 appear to be inconsistent. The Unit has also indicated the desire for a \$2,000,000 short fall appeal, but provided no documents for the request.

Advertised: None provided.

Unit did not appear.

Comments: None.

Motion: Mr. Umbaugh made a motion to have this transfer tuition appeal submitted to the Commissioner for her consideration. Mr. Bowen seconded the motion.

Motion passed by a vote of 7-0.

Comments: Mr. Umbaugh commented that there is a standard motion for the transportation appeals.

Motion: Mr. Umbaugh made a motion to have this submitted to the Commissioner and approved based on what the Unit is eligible for once the price is set. Mr. Jones seconded the motion.

Motion passed by a vote of 7-0.

Mr. Morris commented that Lake Central also has a shortfall appeal and those are automatically forwarded to the Commissioner.

Franklin Township Community School Corporation

Marion County

New Facility Appeals and Shortfall Appeals

Summary: The Unit has done modifications and addition to two of its facilities for which it wants a new facility appeal. For Edgewood intermediate school 166,500 in additional square footage they request \$521,650 in levy increase and Franklin Township Middle School East 217,227 additional square feet they request \$592,450 increase in levy, \$1,024,100 total NFA. The builds were occupied on 07/01/08. Both calculations are consistent with previous DFGL authorizations.

In addition, the unit has requested a short fall appeal in the amount of \$1,489,100 for 2008. The DLGF is unable to process this calculation at this time.

Advertisement: None provided.

Present for hearing: Jim McWhirt, Director of Business

Mr. McWhirt pointed out that there would be no transportation appeal and that he was aware that the shortfall would be handled by the Commissioner. He was bringing before the SPTCB two new facility appeals.

Mr. McWhirt stated that the new facility appeals are for Edgewood Intermediate School and Middle School East. He shared that there is a need in their general fund, and in order to run the buildings as required they will need to have the appeals that they are requesting.

Mr. Morris asked about the size of Franklin's Corporation. Mr. McWhirt stated that it is roughly 8800 students. Mr. Bowen asked if the levy amounts were part of the 1028 hearings. Mr. McWhirt said yes. Mr. Bowen then asked about the increase of 22% in square footage and 53% increase in utilities. Mr.

McWhirt stated that the Corporation's operations people and architects made those projections around the end of July. Mr. Bowen suggested that the DLGF get a revised estimate on the utilities, because it is such a big chunk of the numbers, over 500,000 of additional cost. Mr. McWhirt said that they can revise, but those numbers were pretty consistent with the estimates they got last year. They are paying for utilities out of capital projects and any additional will be paid out of the general account, because the capital fund is maxed.

Mr. Bowen asked if Mr. McWhirt had that number for total utilities. Mr. McWhirt replied that it would be the amount on the schedule and add \$1.285 million to it and get \$2.881 million. Mr. Bowen said to divide by 536,000. Mr. McWhirt said that it would be about 18.6%. Mr. Bowen withdrew his suggestion.

Mr. Umbaugh asked about the total cost for the projects. Mr. Bowen said that he thought it was \$2.90 per square foot. Mr. McWhirt added that utilities were \$1.40 per square foot. Mr. Bowen verified the total the Corporation was asking for.

Mr. Jones asked that if all three of the Corporation's requests were approved what the increase on your tax rate would be. Mr. McWhirt stated that it would be 4.96% based on 2007 AV. Mr. Jones asked what the tax rate is in their district. Mr. McWhirt replied that he did not have it with him and he understood it wld be state funds now versus local property taxes...one of the changes for 2009
MM 1.14 million

Motion: Mr. Umbaugh motion to recommend approval of the appeal for intermediate school in the amount of \$521, 650 and for the Middle School East in the amount of \$592,450. Mr. Bowen seconded the motion.

Motion carried by a vote of 6-1. Dissenting vote cast by Mr. Besinger.

Merrillville Community School Corporation

Lake County

Transportation and Shortfall Appeals

Transportation Summary: The unit requests an increased levy of \$334,596 due to the need of increased cost of fuel. And a short fall of \$727,128 for the years 2007 and 2008.

Advertised: \$5,824,504 in Transportation

General Fund Shortfall Summary: The unit is requesting an appeal for an increased levy due to a shortfall in 2007 in the amount of \$3,385,342 (per Resolution).

Advertised: \$6,718,712 in General Fund

DLGF has been unable to run the equations to determine if the unit's calculations are correct.

Present for the hearing: Hilda Damianick, Assistant Superintendent for Business.

Comments: Mr. Morris asked Ms. Damianick if she was aware that shortfall will be handled by the Commissioner. She indicated that she was not; she was told she should come. Mr. Morris stated that they would begin with the transportation appeal.

Ms. Damianick stated that the transportation appeal was based on fuel, as they were upwards of \$4.00 a gallon at the time. Mr. Morris informed Ms. Damianick that the Commissioner is conducting a study on what she thinks will be an appropriate and that will be the basis for her decision along with the parts of the statute that may entitle the Corporation to increased funds.

Dr. Seger asked if the information on the transportation operation fund appeal was historical information from 2007, or if they were projections from 2008 and 2009. Ms. Damianick stated that the information is historical.

Mr. Morris noted that the usage was up about 20%. Ms. Damianick responded by saying that she called that to the attention of their Transportation Director who attributed it to current construction, extending the mileage and gas usage.

Mr. Bowen confirmed that the numbers provided were actual, not projected.

Motion: Mr. Morris made a motion to have this submitted to the Commissioner and approved based on the statute and what the Unit is eligible for once the price is set.

Comments on the motion: Mr. Morris stated that he thought the Corporation might do well to shape up their actual fuel consumptions and what they those will be for next year and explain the 20% increase in usage.

Mr. Besinger seconded the motion.

Motion carried by a vote of 7-0.

Mr. Morris asked where they are on shortfall. Ms. Damianick said that they have received one small advance and are set to receive another advance next week. She commented that she is unsure as to when they will actually receive their distributions and does not expect final distribution until March or April of 2009. She also indicated that this has been going on for 4 years.

Mr. Umbaugh asked how much that was costing the Corporation in interest. Ms. Damianick said the Corporation paid \$1,100,000 in interest in 2007, for loans alone. She said that because they had no money they were taking out TAW's.

Metropolitan School District of Steuben County

Steuben County

Transportation and Shortfall Appeals

Summary: The unit is requesting a levy of \$137,847 for Transportation Fund to cover the increased costs of operations spiked by the fuel increases. In addition the Unit is seeking a shortfall appeals to its General and Transportation Funds totaling \$258,849.

Advertised: \$450,000 to the General Fund and \$165,000 to the Transportation Fund.

Present for hearing: Dr. Brent Wilson, Assistant Superintendent; (no name available) Business Manager.

Business Manager shares details of changes in expenses for transportation due to fuel. She shares the new data with the SPTCB concerning the personal income growth quotient. Their concern is that it is not very

high. She also pointed out that the numbers of students receiving free and reduced lunch are increasing. Their enrollment is up about 20 kids, but she does not believe that the families they are getting are not going to support staying off the free and reduced list. The Business Manager shared that if they can reduce their base that would be very helpful. She also pointed out that they have refinanced their middle school building to reduce burden to taxpayers, so there would be some reduction in debt services burden.

Mr. Morris asked about the general status of the transportation versus the levy or expenditures versus receipts. The Business Manager replied that she and Dr. Wilson are new and the transportation fund has not been in bad shape. She said they do have some surplus, however they are thinking that they will not have a year like the one we came off of, hopefully, and this would be one year where they could have the data and ask for an appeal.

Dr. Wilson stated that they were able to absorb full day kindergarten without adding a route. Enrollment was down when we were in the high numbers for fuel so we added a route to get more students in the vocational program.

Mr. Morris said that based on the Board's plan of action \$5.50 would not be an appropriate. He then informed the representatives from Steuben County that the Commissioner is doing a study to determine fuel prices. Mr. Morris also suggested to the Unit that they look into getting a price locked in.

Motion: Mr. Morris made a motion to have this transportation appeal submitted to the Commissioner and approved based on the statute and what the Unit is eligible for once the price is set.

Mr. Besinger seconded the motion.

The motion passed by a vote of 7-0.

Mr. Morris informed Dr. Wilson and the Business Manager that the shortfall appeal is a mathematical calculation and will be handled by the Commissioner.

General Discussion: Mr. Morris asked about the cause of increase in the number of students qualifying for free and reduced lunch. Dr. Wilson stated that more people are qualifying, due to loss of work with companies closing in their area.

Mr. Joyce asked how they are verifying the data that people are sending in saying that they qualify for free and reduced lunch. The Business Manager indicated that they do check. Dr. Wilson also stated that he is working with the Chamber of Commerce and they let him know when companies are closing.

Mr. Morris asked how big of a school district they have. Dr. Wilson said it is about 3,000, with one high school.

Mr. Jones asked about spending on first table reflects \$184,000 in expenditures through November, with \$170,000 appropriated, so they are going to need an additional appropriation and they will need to cover a funding shortfall as well. The Business Manager stated that they may do a transfer of funds at the end of the year. Mr. Jones asked if they have balances in a rainy day fund. The Business Manager replied yes with about \$150,000.

Mr. Morris asked about their assessed value. The Business Manager said that is about \$1,300,000,000 due to lake properties; however those people who own them do not have children in their schools.

Meeting adjourned at 3:35 PM.